



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 308** HLS 09RS 493
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: June 10, 2009	11:01 AM	Author: LEBAS
Dept./Agy.: HIED/OSFA		
Subject: Dual Enrollment		Analyst: Charley Rome

STUDENTS RE +\$1,600,000 GF EX See Note Page 1 of 1

Provides for participation in a dual enrollment program at postsecondary education institutions by certain high school students enrolled in BESE-approved nonpublic schools or BESE-approved home study programs

In present law, the “Early Start” - formerly the “Dual Enrollment” program pays participating colleges \$100 per student credit hour, not to exceed \$300 per course, for eligible public school students. Proposed law would allow students from approved non-public and home schools to take advantage of the program as long as such students meet all other criteria as required by the Board of Regents (BOR). Makes further provision that funding be used to provide service to public school students first and then private school students should funding remain. The bill is not effective unless and until sufficient funds are appropriated by the legislature for such purpose.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,000,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$8,000,000

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The LFO estimates that implementation of this bill will cost at least \$1.6 million in FY 10 and will steadily increase in the future.

The Board of Regents (BOR) and the Office of Student Financial Assistance (OSFA) have differing cost estimates for the bill. The BOR anticipates the bill will cost \$6 million annually to serve approximately 15,000 approved non-public school students. This estimate was made assuming that 50% of all eligible students will take advantage of the funding for coursework provided by the bill. The OSFA employed a different methodology by using the percentages of public school students who actually accept an Early Start Award - 9.1% of Juniors and 21.2% of Seniors - applied against the total number of non-public students for a total of 2,527 students at a cost of approximately \$1.6 million. Consequently the BOR projected non-public participation rate appears to be high when compared with the actual public school participation rate. Even though geographic considerations, such as approved non-public schools being located closer to higher education institutions when compared with statewide public schools of which many are located in rural settings farther from colleges, the participation rate is unlikely to reach 50% in FY 10.

Consequently, the LFO considers the OSFA estimate to be more accurate for the first year because it is based on actual participation numbers. However, the program has experienced significant growth since its inception and may reasonably be expected to continue to grow in the future. The LFO cannot predict the future increases because this is a new program with insufficient history and data to make an accurate projection.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	 H. Gordon Monk Legislative Fiscal Officer
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	